

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 6702

BILL NUMBER: HB 1001

NOTE PREPARED: Jan 30, 2012

BILL AMENDED: Jan 23, 2012

SUBJECT: Employee's Right to Work.

FIRST AUTHOR: Rep. Torr

FIRST SPONSOR:

BILL STATUS: CR Adopted - 2nd House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) The bill makes it a Class A misdemeanor to require an individual to:

- (1) become or remain a member of a labor organization;
- (2) pay dues, fees, or other charges to a labor organization; or
- (3) pay to a charity or another third party an amount that represents dues, fees, or other charges required of members of a labor organization;

as a condition of employment or continuation of employment.

The bill provides that the Indiana Department of Labor may investigate and issue administrative orders for violations or threatened violations. The bill also establishes a separate private right of action for violations or threatened violations.

The statute does not apply to federal employees, employees subject to certain federal laws, certain employees over whom the federal government has jurisdiction, state employees, and employees of a political subdivision. The statute does not apply to the extent it is in conflict with or preempted by federal law. The statute is not intended, and should not be construed, to change or affect any other law concerning collective bargaining or collective bargaining agreements in the building and construction industry.

Effective Date: Upon passage.

Explanation of State Expenditures: (Revised) Costs for the Office of the Attorney General and the

Department of Labor may increase if the agencies investigate complaints of violations or enforce compliance if a violation of the statute is found.

Explanation of State Revenues: If additional court cases occur and fines are collected, revenue to both the Common School Fund and the state General Fund would increase. The maximum fine for a Class A misdemeanor is \$5,000. Criminal fines are deposited in the Common School Fund.

If the case is filed in a circuit, superior, or county court, 70% of the \$120 court fee that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the state General Fund. In addition, some or all of the document storage fee (\$2), automated record keeping fee (\$5), judicial salaries fee (\$19), public defense administration fee (\$5), court administration fee (\$5), judicial insurance adjustment fee (\$1), and the DNA sample processing fee (\$2) are deposited into the state General Fund.

Explanation of Local Expenditures: (Revised) Costs for county prosecuting attorneys may increase if the prosecuting attorneys investigate complaints of violations or enforce compliance if a violation of the statute is found.

Explanation of Local Revenues: If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from the following sources: The county general fund would receive 27% of the \$120 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. In addition, several additional fees may be collected at the discretion of the judge and depending upon the particular type of criminal case.

State Agencies Affected: Office of the Attorney General; Department of Labor.

Local Agencies Affected: Trial courts; Local law enforcement agencies.

Information Sources:

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